

March 29, 2002

TO: Recipients of Legislative Memos

FROM: David A. Vogler, Legal Counsel

SUBJECT: Legislative Memo #8 for the 2002 Session

This weeks legislative debate was almost entirely consumed by budget considerations. No bills of particular interest to natural resource related entities were discussed. A brief discussion of the budget issues follows.

LB 1085, the revenue related bill, advanced to select file after lengthy debate. As it now stands there are four ways to address the fiscal gap projected to be about \$114 million.

First, the state sales tax base would be extended to include services such as cleaning services, janitorial services, car washing, towing, repairs, etc. This provision also removes the exemption from taxation of refractory materials (steel and cement manufacturing), computer software training, telephone advertising, and magazine subscriptions. These changes are estimated to bring in an additional \$21 million in 02-03. Next, the bill rolls back the 4.3 percent income tax cut from 1998. The roll back would increase current state income tax levels by about 2.25 percent. This increase would raise approximately \$48 million. Next, LB 1085 will allow K-12 schools who have reached their \$1 levy limit would be allowed to exceed that limit to make up for the cut in school aid made by LB 898. LB 898 reduces state aid by about \$22 million. Finally, the bill would require companies to add back 85% of their bonus depreciation made under federal income tax law to their Nebraska tax return.

LB 1309 (the mainline budget cut bill) and LB 1310 (transfers from cash funds to general fund) both advanced to final reading on Wednesday. Combining 1085, 1309, and 1310 still leaves a budget gap of about \$14 million. Needless to say considerable work remains on budget issues, especially in light of the fact that many of the Governor's suggestions have not been incorporated in the package.

On the horizon, next week (at least on Tuesday) the Speaker has scheduled the 2002 senator and committee priority bills. In spot 20 on that list is LB 1003, the Game and Parks bill which has pending amendment AM 3227 Senator Schrock's Water Policy Task Force. The amendment is the same as discussed in Memos # 6 and 7. Given LB 1003's place on the schedule, I would not expect it to come up on Tuesday. There are no other natural resource related bills active at this time.

LEGISLATIVE MEMO #8
STATUS REPORT – 2002 SESSION

NOTE: Changes from the last memo are shown in bold.

LB #	Subject	Committee/ Hearing Info.	Applicable Legis. Memo(s)	Status (e-date)
57	Sales tax/public records		1	F
120	Ag land values		1	IP
121e	Base limitation/lid		1	IP
161	Poli. Sub. Tort claims		1	G
259	Counties/Occ. Tax/vacate roads?		1	AG(2-27)
290	Ag land at 50%		1	IP
301	Eng. & Arch. Act/triggers	HHS/2-8;1:30	1	G
355	Poli. Sub. Tort Claims/2 years		1	G
404	State Water Task Force		1	G
447	NRDs/Counties/Close Roads		1	IP
458	Water Well Board Report		1,2,4,5	AG(3-18)
504	Approp. for NREF		1	C
568ePB	Budget date/e-filing		1	AG(2-27)
600PB	Ag land/net earning value		1	S
628	State 404 program		1	IP
632	NGPC/# of members		1	IP
634	DOA fees/NREF		1	G
635	Approp. for NREF #2		1	C
636	Nat. Heritage Plates		1	C
708	Lottery/Env. Trust 14.5%		1	IP
709	NRD/Em. dom./rec. use		1	C
731	Vacancies/elected boards		1	IP
758PB&A	Fertilizer fee/excess/UNL		1	G
763	Storage/dams/LWCF		1,2	G
764	Stormwater/assess areas		1	IP
777	Amends to Nebr. NG-ESCA		1	G
778	NGPC/confidentiality		1	G
785	Railroad/Em. dom./DNR		1	C
791PB	Lottery/18% to funds		1	G
813e	Public facility financing		1	C
837e	DNR hearings/NRD/county		1	IP
889	Well Stand./Contractor's Lic.	N.R./1-23;1:30	2,5	IP
890	Well Regis. Fee Structure	N.R./1-23;1:30	2,5,7	G
891	ET Admin. Structure	N.R./1-25;1:30	2	G
903	Interstate Compact Sunshine Act	Gov./1-31;1:30	2	IP

Code: * (unofficial); (e) emergency clause; (CA) constitutional amendment; (C) in committee; (G) General File; (S) Select File; (F) Final Reading; (P) Passed; (AG) Approved by Governor; (IP) Indefinitely Postponed; (V) Vetoes; (LV) Line item veto of appropriation; (LWG) Became law w/o Governor's signature; (POV) Passed over Governor's Veto; (W) Withdrawn; (PB) Priority Bill; (A) includes appropriation bill; (PR) Priority Resolution

936	Authorize Drainage Programs	N.R./2-7;1:30	2,5,7	G
937	NE Soil & Water Cons. Fund	N.R./1-23;1:30	2,5	IP
938	NE Soil & Water Cons. Fund	N.R./1-23;1:30	2,5,7	IP
940	Enforce. of Well Regis. Statutes	N.R./2-13;1:30	2,5	G
941	Misc. Department Fees	N.R./1-31;1:30	2,4,5	IP
1023PB	Water Policy Task Force	N.R./1-24;1:30	2,5,7	G
1026	Adopt Water Rights Leasing Act	N.R./2-7;1:30	2	C
1066	Violations/Cease & Desist Orders	N.R./2-13;1:30	2,5	G
1161	Water Suppliers Pay Coun. Serv.	U.A./1-29;1:30	3,5	IP
1219	Approp. Funds to NRC	App./2-13;1:30	3,5	C
1230	MUDs/Retail Water & Gas Sales	U.A./2-5;1:30	3,5	IP
1272	Env. Resp. Cont. Fund/Lottery	N.R./2-20;1:30	3,5	IP
1288	Niobrara Council Powers	N.R./2-7;1:30	3,5	IP
1291	Scrap Tire Grant Trust/ET	N.R./2-13;1:30	3	IP